

May 4, 1971

## CONGRESSIONAL RECORD—Extensions of Remarks

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this year. The nation appears to be moving ahead again, and while the experts argue about the speed of that forward motion, let us look at a longer-range problem that troubles all Americans—the welfare muddle and the related problem of our attitude toward individual responsibility.

Both are more than economic matters. They reflect our view of society and of man. But how we resolve them will have a profound effect on how the American economy develops from now till the end of the century.

In the hundreds of letters and comments in response to a recent page in this newspaper on the federal budget, there was this comment from a woman in Pennsylvania: "I am an old lady, 81. A proud American, of double pioneering background, back to 1624. Courage, enterprise, willingness to work—all this must be retained in our country. Things must not become too cheap and easy."

And on a question about federalizing welfare, she added, "More than enough is being done. The birds on the tree must use their bright eyes to get their bugs and worms or else. The present system is ruinous to character and will be ruinous to a country as mighty as ours has been."

She was not against government spending per se. She wanted to go along with the space program, for instance: "The universe out there seems full of possibility."

But this woman's doubts about welfare—from whatever level of government—reflect the fears of probably millions of Americans that money got too easily will ruin the fiber of any people. Yet, most of these same people are humane and would admit that every man deserves something approaching an equal chance in life.

What is difficult for many of us to see is how completely the nation has moved away from its 19th-century moorings, which were on the farms and in small-city life. It was easier for an individual to think of himself as someone who mattered. If he had problems, there was also someone around who saw he had a problem and could help him.

Of course some of the mythology of the rugged individualist was overdone. But the American experience has in actuality been built on the basis of more individuals taking their destiny into their own hands, on a sturdy self-reliance. This is the element that we at least think makes us different from other nations.

The problem today, as all over the world mankind becomes urbanized, is to reconcile this desire for individualism with the fact that in the big cities we are necessarily all dependent on one another. None of us can expect to survive for long in any degree of civilized personal existence if our neighbors feel they are unjustly deprived either of their share or their chance. And our "neighbor" today may literally be millions of people, which calls for a great adjustment in thinking from the kind of neighborhood—and the kind of personal concern—associated with small-town America.

The question to be resolved about welfare is not whether everyone deserves something approaching an even chance in life. Our society is founded on that proposition. The question is whether there is any feasible road besides what fits the general description of social democracy for an urbanized industrial society.

Is America following the example of the Western European nations, only more slowly? Or is there another way, one that is humane and does recognize changed social conditions, but also is in harmony with the special elements of the American past? This, I think, is the basic question Americans are wrestling with as they try to solve the welfare dilemma.

# GAO REPORT: MORE COMPETITION IN DEFENSE PROCUREMENTS FOUND POSSIBLE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1971

Mr. ASPIN. Mr. Speaker, I would like to call attention to a report issued in March of this year by the General Accounting Office. The report, entitled "More Competition in Emergency Defense Procurements Found Possible," deserves our careful consideration because it brings to light a serious source of wasteful spending on the part of the Department of Defense.

The Armed Services Procurement Act stipulates clearly that proposals be solicited from the largest possible number of suppliers when a negotiated procurement exceeds \$2,500. The law makes exception for time limitations when the procurement is deemed to be of an emergency nature.

During fiscal year 1968, the Department of Defense negotiated procurements classified as "emergency" totaling \$5.4 billion, 72 percent of which were issued on a noncompetitive basis. Although the actual dollar amount of so-called emergency procurements declined from \$6 billion in fiscal year 1967 to \$2.5 billion in fiscal year 1970, the percentage of noncompetitive procurements remained at approximately the fiscal year 1968 level.

The GAO, in preparing its report selected 54 contracts valued at \$33 million which had been awarded noncompetitively. After detailed study, the GAO concluded that 36 of these contracts should have been awarded on a competitive basis because other suppliers were available who could have delivered the requested items at lower prices within similar time limits. These 36 contracts amounted to a total of \$31.5 million.

On the basis of this representative sampling, it is reasonable to conclude that the Department of Defense has wasted tens of millions of dollars each year by negotiating too many contracts on a noncompetitive basis.

I would like to cite the following example which is illustrative of the many instances of noncompetitive contracts which were covered in the report: The Army purchased 812 multiplexers at a cost of \$3.24 million. Supplier "A" was eliminated from consideration for the contract because the Army determined that supplier "A" could not begin deliveries until July 1968, one month later than requested. However, supplier "B" who was awarded the contract, was given until August of 1968 to begin deliveries. If competition had been obtained for that contract, as much as \$1.65 million could have been saved on the \$3.24 million contract. In other words, the costs could have been cut in half.

Mr. Speaker, instances of unjustified waste such as that which I have described seem to be proliferating un-

checked within the Department of Defense. There is obviously a lack of procedural guidelines within the Pentagon for determining when a contract is of an emergency nature, and if it is, whether that precludes awarding the contract on a competitive basis.

These consistent violations of the Armed Services Procurement Act must be halted, and I call on the Department of Defense to institute a fixed procedure for the awarding of contracts on a non-competitive basis.

First, the Pentagon should determine how much more quickly one contractor can deliver the requirements than other contractors can. Second, an estimate should be done on how much additional cost this would involve. And, third, a statement from the requesting agency should be required which specifically explains why the materials have to be received on the date requested.

This sort of procedure would be both easy and quick and could lead to savings of a significant amount of money each year. It is disturbing that the Pentagon has allowed such an important determination to be made in such an arbitrary and haphazard manner for so long.

I would like to underscore the report of the General Accounting Office and urge the Department of Defense to strict compliance of the Armed Services Procurement Act at the earliest possible date.

*Drug file*  
ON CHOKING OFF THE HEROIN TRADE

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1971

Mr. VAN DEERLIN. Mr. Speaker, our colleagues, Congressmen FANGEL, HAMILTON and DELLUMS, are on the right course in the approach they have taken, through the introduction of H.R. 7822, to cutting off the domestic supply of hard narcotics—particularly heroin—at the source.

The plant from which heroin is derived, the opium poppy, is not grown in the United States, so our entire supply must be imported, mainly from the Middle East. In the countries where opium is produced, controls vary widely. Those governments that have been reluctant to exercise adequate controls might do so if threatened with loss of their U.S. aid, as provided by H.R. 7822.

I particularly applaud the language in the bill that would make the withholding of such assistance automatic, rather than leave it to the discretion of the Executive, if a country failed to take action to prevent the smuggling of drugs into the United States.

Experience has taught us that when given a choice, the executive branch is notably reluctant to use authority mandated by Congress for reducing or suspending foreign aid. A case in point are the 1968 amendments to the Fishermen's

Protective Act, which directed the Secretary of State to "take such actions as he may deem appropriate" to recover fines and other penalties illegally extracted from our fishing fleet by foreign governments. If a claim were not honored within 120 days, an equivalent amount of aid was to be withheld from the offending government.

But what has happened? Despite a series of seizures that should have triggered action by the State Department—nothing. The Department's lawyers have interpreted the language as a polite request, rather than a forceful mandate from Congress, and Ecuador and Peru continue to take in and shake down our fishing boats with relative impunity.

It may be the Executive can fully grasp the intent of Congress only when it is cut out of the decisionmaking process altogether in legislation of this type.

Our colleagues deserve credit for wording H.R. 7822 so as to remove opportunities for the Executive to thwart the will of Congress. However the bill does—and wisely, in my view—contain an escape hatch, for the President may ask Congress to allow aid to continue if he deems it in the "overriding national interest." But the onus would be on the Executive to show why the assistance should not be rescinded, and termination of the aid would be automatic unless Congress accepted an administration appeal and granted a specific waiver.

The heroin problem is ubiquitous. No section of the country is spared. In my own county of San Diego, it is believed that as many as 2,000 persons are addicted. In 1969, in San Diego, there were 4,791 arrests for hard narcotics violations. County officials estimate well over \$100 million is stolen annually, in cash and property, to enable addicts to support their habit.

I am proud to be a cosponsor of H.R. 7822, and urge its early consideration by the Committee on Foreign Affairs.

#### STATUE OF BOB BARTLETT PLACED IN ROTUNDA

#### HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1971

Mr. BEGICH. Mr. Speaker, in the rotunda of the Capitol there now stands a statue of a most important figure in the achievement of Alaska's statehood—Bob Bartlett.

Last week, on April 27, 1971, the people of Alaska made their first contribution to Statuary Hall in the form of a bronze statue of Bob Bartlett, territorial Delegate to Congress and Alaska's first senior Senator.

The statue is the work of Felix G. W. deWeldon who spent many hours with Mrs. Bartlett while working on the statue.

It was she—

Mr. deWeldon said—  
who helped me to show her husband's sensitivity.

Mrs. Bartlett came from Alaska to attend the ceremony in the rotunda and to unveil the statue of her husband. Also present for the unveiling were the two Bartlett daughters.

Bob Bartlett spent so much of his productive life in Washington that it is fitting that his likeness will remain here always. He first came to the Congress in 1945 as a nonvoting Delegate from the Territory of Alaska. Many of you were his colleagues until 1959 when he became Alaska's first senior Senator. He remained in the Senate until his death on December 11, 1968.

It is with pride that Alaskans have honored their first citizen to be commemorated in Statuary Hall. The son of Klondike pioneers, Bob Bartlett seemed to embody the best qualities of a new land; pride, energy, and an ability to dream of things yet to come.

I hope that the millions of people who will visit the Bartlett statue will take the time to look at his face because it is one of warmth and compassion. We all would do well to remember that a capacity for friendship is the greatest of gifts and Bob Bartlett had that in abundance. His statue is a lasting reminder of his many friends and of their appreciation and love.

#### VETERANS' ADMINISTRATION HOSPITAL VOLUNTEERS EARN SATISFACTION

#### HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1971

Mr. EILBERG. Mr. Speaker, the work of volunteers, who put in long hours with no pay at our Veterans' Administration hospitals across the country, should be given wider notice.

I am afraid that many of us and our fellow Americans simply take this marvelous effort for granted.

On February 22, 1971, the work of these volunteers was noted in special ceremonies at the Veterans' Administration hospital in my city, Philadelphia.

Some 135 individuals and 47 groups were honored.

Their volunteer service amounted to a minimum total of 23,900 hours.

Many of the individual volunteers are affiliated with various veterans and fraternal groups and these affiliations are indicated by the group's initials in the list which follows. Many of the individual volunteers are not affiliated with these groups. Their names in the following list carry no initials.

I would like to add my heartiest congratulations and thanks to all my fellow Philadelphians who year in and year out give of themselves to this worthiest of efforts and with the unanimous consent of my colleagues here enter their names and honors and the names of the groups also honored in special tribute:

#### LIST OF HONOREES

##### HONORABLE MENTION

Regularly Scheduled (RS) Volunteer Workers still active who served during 1970 but not entitled to 100 hour certificates or

the next plateau (300, 500, 1,000, etc.) certificates.

Dorothy Bador  
Lavina R. Bardsley, ALA  
Albert Beaty  
Dolores Bridges, MOCA  
Catherine M. Carr, CWVA  
Florence Carter, ARC  
George Cessna  
Anna Clay, IBPOEW  
Rose Cloud, SCC  
Anna Compton, VFWA  
Ethel Corcoran, AMVETS  
Richard Croft  
Elizabeth Davy, DAR  
Elleen F. Grablee  
Florence Graham, ALA  
Eleanor W. Greene, ALA  
Ray Gregory, Masonic Svc. Assn.  
Frederick Haas, VWWI  
Linda Haentze  
Andrew Harkishelmer, American Legion  
Clifford L. Hoag, USAAC  
Vada Hyde  
Lillian M. Jacobs, DAR  
Elizabeth Jones, CWV  
Jean McC Joyce  
Louis Katz, Jewish Welfare Board  
Ethel Kehm, AMVETS Aux.  
James Kehm, AMVETS  
Helen King, American Legion  
Joseph R. Klotz, Jewish Welfare Board  
Ann Lavelle  
Harry Lincoln  
Inez Lincoln  
Mabel Dotson  
Margaret Lippincott, AMVETS Aux.  
Paul Luciw  
Florence Martin, AMVETS Aux.  
Henrietta McCloskey, AMVETS Aux.  
Mae McElvaney, VFW Aux.  
Ann McHugh, American Gold Star Mothers  
Anna McKenna, VFW Aux.  
Ann Miller, Jewish War Veterans Aux.  
Sarah Myers, American Legion  
Fay Morgan, IBPOEW  
Jane Olson, ARC  
Joseph Poduslo  
Michael Radvansky, 315th Infantry  
Emma Reutlinger, DAR  
Catherine Rotay, ALA  
Samuel Schiff, Jewish War Veterans  
Wilson Shive, VWWI  
Margaret Shockley  
Meyer Squires  
Paul S. Stewart, Masonic Svc. Assn.  
Capt. K. Strehle, Salvation Army  
Anna Suhr, CWVA  
William Toy, VWWI  
Jean Lyons Tustin, DAV Aux.  
Anna M. Vito  
Katherine Wagner  
Lelah M. Weiss, ARC  
Emeline M. Wiggins, IBPOEW  
Beatrice Williams  
Lida Wright  
Jacob Zaslow, DAV

CERTIFICATE OF APPRECIATION—100 HOURS

Mary Abrams, Jewish War Veterans.  
Louise Alberts, DAR.  
Neta R. Anderson, DAR.  
Timothy Babbage.  
Margaret Barnes, C.D. of America.  
Ethel Bischoff, VFWA.  
Mark Braunlick.  
Hilda Brophy.  
Kathryn Brownse.  
Kathryn Cannon.  
Edith Carbaugh, ALA.  
William Clark, AMVETS.  
Anna Coady, AMVETS Aux.  
Amelia Di Prima, C.D. of America.  
Anna Dugan, C.D. of America.  
Elizabeth Frick, AMVETS Aux.  
John A. Frick, AMVETS.  
Katherine Gormley, ACSH.  
Horace Hopkins, American Legion.  
Dorothy Jones, AGSM.  
Kathryn Kilpatrick, DAR.  
Ernest P. Knorr, Masonic Svc. Assn.

**The Washington Merry-Go-Round**

THE WASHINGTON POST Wednesday, May 5, 1971

B15

# Laotians Accused in Heroin Traffic

By Jack Anderson

A Royal Laotian prince and the Laotian Army commander have now been identified as the principal traffickers in the heroin used by U.S. troops in South Vietnam.

Furthermore, a congressional investigation has confirmed our earlier allegations that the Central Intelligence Agency is involved in the Laotian heroin operations.

The investigation was made by Reps. Robert Steele (R-Conn.) and Morgan Murphy (D-Ill.), both members of the House Foreign Affairs Committee.

Steele is preparing a report that will allege CIA Air America aircraft have been used to transport the drug from northern Laos into the capital city of Vientiane.

It says, however, there is no evidence that the CIA had any official policy of letting its planes be used to move the drugs. Furthermore, it adds that the agency has now cracked down on the practice.

According to the draft report, prepared by Steele for House Foreign Affairs Chairman Tom Morgan (D-Pa.), the deadly drug is transported from opium fields in Laos to the battlefields of South Viet-

nam in the following manner:

First the raw opium is hauled from deep in Northern Laos through Burma and into the Laotian town of Ban Bouei Sai, with former Nationalist Chinese soldiers-turned-drug smugglers riding shotgun on the shipments.

At Ban Bouei Sai, the Laotian Army commander, Gen. Ouan Rathikoun, takes over. He supervises the shipment of the opium into Vientiane, using American-supplied planes and protecting the smuggled cargoes with U.S.-supplied arms.

Once it reaches Vientiane, the morphine base is processed in Gen. Rathikoun's labs into "Number Four" heroin, a pure grade of the deadly drug almost unknown in Southeast Asia until traffickers began turning it out especially for American troops.

## Protection and Payroll

Throughout Laos, the heroin operation is protected and abetted by Prince Boun Oun, Inspector General of the realm.

Once processed, the heroin is flown into South Vietnam aboard military and civilian aircraft from both Laos and South Vietnam.

Some of the carefully wrapped packages of the white powder are air-dropped near U.S. troop emplacements in the fields. Others reach the troops after being landed at outlying air strips or flown di-

rectly into Saigon's Tansonnhut airport.

With Vietnamese custom officials looking the other way, the heroin passes into illicit channels. The congressman identifies South Vietnamese Premier Tran Thien Kheim as the man behind the corruption of the customs agents, but they stop short of calling him an outright trafficker.

The angriest language in Steele's draft report is reserved for U.S. diplomats who have failed to use their leverage against such men as Rathikoun and Prince Boun Oun to get the drug traffic cut off at its source.

Steele points out that in Turkey some progress has been made, although slowly, though diplomatic channels to cut off the flow of heroin to the United States.

In a future column, we will detail how American ex-GIs and deserters, assisted by corrupt Thai officials, are beginning to move huge quantities of heroin into the United States to replace the Turkish supply.

## Kosygin on Arms

The U.S. embassy, reporting to the State Department from Moscow on Sen. Ed Muskie's confidential conversations with Kremlin leaders, gave this account of the discussion on disarmament:

"Muskie began by talking about desire to reduce military expenditures. He said in

past two years Senate had subjected defense budget to great scrutiny. As result, administration's budget in 1969 had been cut by six billion dollars.

"He expressed interest in MBFR (Mutual Balance Force Reduction) in Europe as part of desire to reduce armaments. He also advocated broadest possible agreement at SALT (Strategic Arms Limitation Talks).

"Kosygin responded that U.S.S.R. has always favored disarmament. He asserted that Soviet military budget was 25-27 per cent of U.S. military budget, and nothing was hidden in other parts of budget.

"He said Soviet noticed and 'appreciated' Senate's action in cutting military expenditures by six billion dollars. Soviet also noticed President's statement that military budget might have to be larger next year.

"Soviets 'follow these events closely,' said Kosygin. Specifically on SALT Kosygin said both sides are approaching question differently, with 'great wariness and care' but 'with great desire of finding a solution in limiting strategic armaments.' "

Footnote: The hush-hush report noted that Muskie had emphasized the "unofficial character of his visit and fact he carried no message and was not negotiating any agreement."

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Jack Anderson

## Ex-GIs Operate Asia Heroin Ring

ORGANIZED BANDS of ex-GIs, working out of Okinawa and Bangkok bars, are flying heroin into the United States by military couriers and the postal service.

This is revealed by Reps. Bob Steele (R-Conn.) and Morgan Murphy (D-Ill.) in a detailed report to the House Foreign Affairs Committee. We have obtained a bootleg copy of the report, which the two congressmen plan to release on Tuesday.

The Bangkok operation is led by an ex-U.S. serviceman, William Henry Jackson, who was once picked up in New York City with 15 kilos of heroin," declares the report.

"Jackson operates a place called the Five Star Bar in Bangkok, which is patronized chiefly by black U.S. servicemen. . . Jackson is assisted by other ex-military men, some of whom have moved from Europe to Bangkok.

"The Jackson group recruits patrons of the Five Star Bar as heroin couriers to the U.S. and utilizes other active duty military personnel to ship heroin to the U.S. through the Army and Air Force Postal Systems."

The report adds that Jackson "is now wanted in the United States" and that U.S. authorities "are now working with the Thai government to have him deported." But it comments that American narcotics agents "are of the opinion that Jackson is probably paying a Thai legislator for protection."

Bangkok, the two congressmen found, is the source of drugs sent to Okinawa, where another major system is engaged in smuggling heroin into the United States.

"This system is composed of U.S. military and ex-military personnel allied with a few Okinawans." Steele and Murphy say the Okinawan racket flourishes because the U.S. cannot enforce customs checks at the main airport of the semi-autonomous island.

The two congressmen recommended possible withdrawal of passports to heroin-running Americans "who are engaged in this most despicable crime of modern times." They also said the United States should firmly tell the Thais that relations will suffer unless they will deport known drug traffickers back to the U.S.

### Ruffled Russians

SOVIET PREMIER Kosygin and Sen. Edmund Muskie (D-Maine) clashed over the

German issue during their recent Kremlin talks.

The senator irritated Kosygin by speaking of West German Chancellor Brandt's efforts to negotiate with the Communists and to normalize the status of Berlin.

"Why talk about Brandt's policy?" demanded Kosygin. It was a policy, he said, that West Germany and the Soviet Union shared.

"Without Soviet agreement to such a policy, Brandt would not be able to get anywhere," snorted Kosygin. He accused the U.S. of adopting a "cool" attitude toward the Soviet-West German treaty.

He also blasted the United States for opposing the Soviet idea of a Central European States (CES) conference.

It was a great concession by Moscow to agree that the U.S. and Canada could participate in a CES even though they were not European states," said the Soviet leader. "The U.S. would not be so generous to the U.S.S.R. if Washington were organizing a conference of Latin-American states."

Responding, Muskie noted that "a European security arrangement will take protracted work. A CES is not out of range of possibilities if we generate the right climate and agenda."

In a separate interview, Foreign Minister Andrei Gromyko told Muskie sharply that West German "political presence in West Berlin must be eliminated."

Echoing President Nixon's favorite phrase, Gromyko said the Soviet position on West Berlin "was perfectly clear in case anyone in the U.S. has any doubts."

For emphasis, he silenced his interpreter and declared in English: "The critical point is respect for previously concluded agreements." This was a reference to the postwar agreements which the Russians feel bar the West German government from Berlin.

A summary of Muskie's secret talks with Soviet leaders was prepared by an American embassy official who sat in on the talks. Despite Ambassador Jacob Beam's assurance that the notes belonged to Muskie not the State Department, Beam complied with a demand from Washington and forwarded a complete report to State.

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## House Team Asks Army to Cure Addicts

By FELIX BELAIR Jr.

Special to The New York Times

WASHINGTON, May 27—A Congressional investigating team urged in a report made public today that the Army be required to identify and rehabilitate the 26,000 to 39,000 American heroin addicts in South Vietnam before returning them to civilian life.

The report to the House Foreign Affairs Committee—parts of which became known earlier this week—said that so many G.I.'s in South Vietnam were becoming addicted to heroin that President Nixon should order all troops home unless authorities in that country, as well as in Laos and Thailand, halted the drug traffic.

Representatives Morgan F. Murphy, Democrat of Illinois, and Robert H. Steele, Republican of Connecticut, suggested that corruption at the highest levels of the Governments and the Military of the three countries left little hope for halting the traffic. But they forecast "major moves" by the White House in the next six weeks to put pressure on the Southeast Asian Governments.

### Legislation Introduced

The authors of the report visited nine countries in Europe, the Middle and Far East and Indochina and interviewed government, military and diplomatic officials of those countries and the United States. Their investigations outside the United States extended over 21 days.

Legislation requiring all armed services to retain addicted servicemen in active status until cured was introduced in the House recently by Representative John M. Monagan, Democrat of Connecticut.

Known as the Drug Abuse Control Bill of 1971, the meas-

ure would require all branches of the service to certify that men being discharged from active duty were free from drug addiction. It would establish a drug abuse control corps for each branch with responsibility to enforce its provisions.

One of the Congressional report's 19 recommendations urged the President to "take personal command of the struggle to eliminate the illegal international traffic in narcotics, particularly heroin, and commit the full resources of the country to that battle."

To identify heroin addicts before discharge, the report proposed that all military personnel be required to submit to a urinalysis and that the Defense Department provide "acute care and detoxification as well as basic rehabilitation services" for addicts.

### 3 Years' Treatment Urged

The report recommended that if military rehabilitation efforts proved unsuccessful, an addict's commanding officer "be required, prior to the addict's discharge, to civilly commit the addict to the administrator of the Veterans Administration for a period of three years for treatment and rehabilitation."

At a news conference on the report, Representative Steele said, "The soldier going to South Vietnam today runs a far greater risk of becoming a heroin addict than a combat casualty."

Representative Murphy observed that "a soldier suffering from a wound or even venereal disease can be retained in the service until restored to health, but one suffering from the sickness of heroin addiction is discarded and returned to society and denied the facilities

of the Veterans Administration because of the nature of his illness."

The Illinois Congress said it was "a national disgrace that the Veterans Administration was not equipped to rehabilitate addicts."

The report estimated that heroin addicts in the United States armed forces in all Southeast Asia numbered between 30,000 and 40,000, most of them in South Vietnam.

### U.S. Planes Reported Involved

The report said that many high-ranking Laotian, Thai and South Vietnamese officials—both civilian and military—were making large profits from the illegal sale of heroin and other narcotics to G.I.'s. It said that in some cases United States planes and diplomatic pouches had been used to smuggle opium and heroin into Saigon.

"In Laos, Government armed forces are major wholesalers of opium and heroin and have been directly involved in large-scale smuggling activity," the report said. "Reliable sources report that at least two high-ranking Laotian officials, including the chief of the Laotian General Staff, are deeply involved in smuggling activity."

"In Thailand a former diplomat and member of one of the most respected Thai families is reputed to be one of the key figures in the opium and heroin operations."

The report said that South Vietnamese and Laotian Air Force planes provided by the United States are frequently used to bring heroin into South Vietnam. Smaller amounts are smuggled in on Air America, an airline financed by the Central Intelligence Agency, it added.